

810-5-12-.03 Bond Claim for New Motor Vehicle Dealers, Motor Vehicle Wholesalers, Used Motor Vehicle Dealers, and Motor Vehicle Rebuilders.

(1) Section 40-12-398, Code of Alabama 1975, states that the bond shall be in favor of any person who shall recover any judgment for any loss as a result of any violation of the conditions of the license of a motor vehicle dealer, motor vehicle rebuilder, and motor vehicle wholesaler. This rule establishes the procedures to be followed for making a bond claim with the commissioner.

(2) In order to make a bond claim, a claimant must first secure a final judgment from a court of competent jurisdiction.

(3) A person wishing to make a bond claim must exhaust all available remedies in attempting to collect the judgment, prior to making a bond claim with the commissioner.

(4) The following items must be submitted to the commissioner in order for a bond claim to be processed.

(a) A complaint relating to the violation of the conditions of a contract made in connection with the sale or exchange of a motor vehicle; or the violation of any provision of law relating to the conduct of the business of a motor vehicle dealer, motor vehicle rebuilder, or motor vehicle wholesaler.

(b) A final judgment relating to the complaint in item (a) above. The judge rendering such must sign the judgment. No certificate or any other document that is not signed by the judge will be accepted.

(c) A description of efforts made to enforce the judgment; along with a statement of all amounts recovered, or a statement that no amount has been recovered.

(5) The total amount of all bond claims made against a single bond shall not exceed \$25,000. Once the bond claim limit of \$25,000 has been reached, no further claims shall be allowed against the bond.

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Authority: Sections 40-2A-7(a)(5), 40-12-392 and 40-12-398, Code of Alabama 1975

History: New rule: Filed July 27, 2012, effective August 31, 2012.

Amended: Filed October 27, 2014, effective December 1, 2014.